

House Amendment 8570

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1 1 Amend House File 2604 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <Section 1. Section 249A.2, Code 2007, is amended
1 5 by adding the following new subsection:
1 6 NEW SUBSECTION. 4A. "Entity" includes but is not
1 7 limited to a carrier as defined in section 514C.13,
1 8 health insurer, health maintenance organization as
1 9 defined in section 514B.1, nonprofit health service
1 10 corporation as specified in chapter 514, self-insured
1 11 plan, group health plan, service benefit plan, managed
1 12 care organization, pharmacy benefits manager as
1 13 defined in section 510B.1, preferred provider
1 14 organization, professional association or society,
1 15 trust, pool, union, fraternal benefit society,
1 16 third-party administrator, and any other party that
1 17 is, by law, contract, or agreement, legally
1 18 responsible for payment of a claim for a health care
1 19 item or service.
1 20 Sec. 2. Section 249A.6, Code 2007, is amended to
1 21 read as follows:
1 22 249A.6 ASSIGNMENT == LIEN.
1 23 1. a. As a condition of eligibility for medical
1 24 assistance, a recipient who has the legal capacity to
1 25 execute an assignment shall do all of the following:
1 26 (1) Assign to the department any rights to payment
1 27 of medical care and services from any third party.
1 28 (2) Cooperate with the department in obtaining
1 29 payments described in subparagraph (1).
1 30 (3) Cooperate with the department in identifying
1 31 and providing information to assist the department in
1 32 pursuing any third party who may be liable to pay for
1 33 medical care and services available under the medical
1 34 assistance program.
1 35 b. Any amount collected by the department through
1 36 an assignment shall be retained by the department as
1 37 reimbursement for medical assistance payments.
1 38 c. An assignment under this subsection is in
1 39 addition to an assignment of medical support payments
1 40 under any other law, including section 252E.11.
1 41 2. When payment is made by the department for
1 42 medical care or expenses through the medical
1 43 assistance program on behalf of a recipient, the
1 44 department shall have a lien, to the extent of those
1 45 payments, upon all monetary claims which the recipient
1 46 may have against third parties. A lien under this
1 47 section is not effective unless the department files a
1 48 notice of lien with the clerk of the district court in
1 49 the county where the recipient resides and with the
1 50 recipient's attorney when the recipient's eligibility
2 1 for medical assistance is established. The notice of
2 2 lien shall be filed before the third party has
2 3 concluded a final settlement with the recipient, the
2 4 recipient's attorney, or other representative. The
2 5 third party shall obtain a written determination from
2 6 the department concerning the amount of the lien
2 7 before a settlement is deemed final for purposes of
2 8 this section. A compromise, including but not limited
2 9 to a settlement, waiver or release, of a claim under
2 10 this section does not defeat the department's lien
2 11 except pursuant to the written agreement of the
2 12 director or the director's designee. A settlement,
2 13 award, or judgment structured in any manner not to
2 14 include medical expenses or an action brought by a
2 15 recipient or on behalf of a recipient which fails to
2 16 state a claim for recovery of medical expenses does
2 17 not defeat the department's lien if there is any
2 18 recovery on the recipient's claim.
2 19 ~~2- 3.~~ The department shall be given notice of
2 20 monetary claims against third parties as follows:
2 21 a. Applicants for medical assistance shall notify
2 22 the department of any possible claims against third
2 23 parties upon submitting the application. Recipients
2 24 of medical assistance shall notify the department of

2 25 any possible claims when those claims arise.
2 26 b. A person who provides health care services to a
2 27 person receiving assistance through the medical
2 28 assistance program shall notify the department
2 29 whenever the person has reason to believe that third
2 30 parties may be liable for payment of the costs of
2 31 those health care services.

2 32 c. An attorney representing an applicant for or
2 33 recipient of assistance on a claim upon which the
2 34 department has a lien under this section shall notify
2 35 the department of the claim of which the attorney has
2 36 actual knowledge, prior to filing a claim, commencing
2 37 an action, or negotiating a settlement offer. Actual
2 38 knowledge under this section shall include the notice
2 39 to the attorney pursuant to subsection ~~1~~ 2.

2 40 The mailing and deposit in a United States post
2 41 office or public mailing box of the notice, addressed
2 42 to the department at its state or district office
2 43 location, is adequate legal notice of the claim.

2 44 ~~3- 4.~~ The department's lien is valid and binding
2 45 on an attorney, insurer, or other third party only
2 46 upon notice by the department or unless the attorney,
2 47 insurer, or third party has actual notice that the
2 48 recipient is receiving medical assistance from the
2 49 department and only to the extent to which the
2 50 attorney, insurer, or third party has not made payment
3 1 to the recipient or an assignee of the recipient prior
3 2 to the notice. Payment of benefits by an insurer or
3 3 third party pursuant to the rights of the lienholder
3 4 in this section discharges the attorney, insurer, or
3 5 third party from liability to the recipient or the
3 6 recipient's assignee to the extent of the payment to
3 7 the department.

3 8 ~~4- 5.~~ If a recipient of assistance through the
3 9 medical assistance program incurs the obligation to
3 10 pay attorney fees and court costs for the purpose of
3 11 enforcing a monetary claim upon which the department
3 12 has a lien under this section, upon the receipt of the
3 13 judgment or settlement of the total claim, of which
3 14 the lien for medical assistance payments is a part,
3 15 the court costs and reasonable attorney fees shall
3 16 first be deducted from this total judgment or
3 17 settlement. One-third of the remaining balance shall
3 18 then be deducted and paid to the recipient. From the
3 19 remaining balance, the lien of the department shall be
3 20 paid. Any amount remaining shall be paid to the
3 21 recipient. An attorney acting on behalf of a
3 22 recipient of medical assistance for the purpose of
3 23 enforcing a claim upon which the department has a lien
3 24 shall not collect from the recipient any amount as
3 25 attorney fees which is in excess of the amount which
3 26 the attorney customarily would collect on claims not
3 27 subject to this section.

3 28 ~~5- 6.~~ For purposes of this section the term "third
3 29 party" includes an attorney, individual, institution,
3 30 corporation, or public or private agency which is or
3 31 may be liable to pay part or all of the medical costs
3 32 incurred as a result of injury, disease, or disability
3 33 by or on behalf of an applicant for or recipient of
3 34 assistance under the medical assistance program.

3 35 ~~6- 7.~~ The department may enforce its lien by a
3 36 civil action against any liable third party.

3 37 Sec. 3. NEW SECTION. 249A.36 HEALTH CARE
3 38 INFORMATION SHARING.

3 39 1. An entity shall provide on a monthly basis to
3 40 the department, in a format determined by the
3 41 department or as agreed upon by the department and the
3 42 entity, information necessary to enable the department
3 43 or entity to determine whether a health care coverage
3 44 recipient of the entity is also a recipient of medical
3 45 assistance. If the department determines that a
3 46 health care coverage recipient of an entity is also a
3 47 recipient of medical assistance, the department shall
3 48 request any additional information or payment from the
3 49 entity as described in subsection 2.

3 50 2. If the department determines that a health care
4 1 coverage recipient of the entity is also a medical
4 2 assistance recipient, the entity shall do all of the
4 3 following, as applicable, by no later than one hundred
4 4 eighty days after the department's request made
4 5 pursuant to subsection 1:

4 6 a. Pay the department for, or assign to the
4 7 department any right of recovery owed to the entity
4 8 for, a covered health claim for which medical
4 9 assistance payment has been made.

4 10 b. Pay the claim submitted by the health care
4 11 coverage recipient in lieu of a medical assistance
4 12 payment of the claim.

4 13 c. Respond to any inquiry by the department
4 14 concerning a claim for payment for any health care
4 15 item or service that is submitted no later than three
4 16 years after the date the health care item or service
4 17 was provided.

4 18 3. An entity shall not deny a payment to the
4 19 department for any claim submitted by the department
4 20 on any procedural basis, including the date of
4 21 submission of the claim, the type or format of the
4 22 claim form, or a failure to present proper
4 23 documentation at the time the health care item or
4 24 service that is the basis of the claim was provided,
4 25 if both of the following apply:

4 26 a. The claim is submitted to the entity within
4 27 three years of the date that the health care item or
4 28 service that is the subject of the claim was provided.

4 29 b. Any action by the state to enforce its rights
4 30 under this section is commenced within six years of
4 31 the date that the claim was submitted by the state.

4 32 4. If the department determines that a health care
4 33 coverage recipient of an entity is also a medical
4 34 assistance recipient, both of the following provisions
4 35 shall apply:

4 36 a. The department may use information received
4 37 under subsection 1 to update the medical assistance
4 38 database maintained by the department.

4 39 b. The department shall share with that entity
4 40 only such information necessary for claims
4 41 adjudication activities or to recover erroneous
4 42 medical assistance payments made.

4 43 5. The department may adopt rules pursuant to
4 44 chapter 17A as necessary to implement this section.
4 45 Rules governing the exchange of information under this
4 46 section shall be consistent with all laws,
4 47 regulations, and rules relating to the confidentiality
4 48 or privacy of personal information or medical records,
4 49 including but not limited to the federal Health
4 50 Insurance Portability and Accountability Act of 1996,
5 1 Pub. L. No. 104-191, and regulations promulgated in
5 2 accordance with that Act, and published in 45 C.F.R.
5 3 pts. 160 to 164.

5 4 Sec. 4. Section 488.201, subsection 1, Code 2007,
5 5 is amended by adding the following new paragraph:
5 6 NEW PARAGRAPH. dd. An agreement to cooperate with
5 7 the department of human services in complying with
5 8 section 249A.36.

5 9 Sec. 5. Section 488.210, subsection 1, Code 2007,
5 10 is amended by adding the following new paragraph:
5 11 NEW PARAGRAPH. e. (1) The street and mailing
5 12 address of any entity, as defined in section 249A.2,
5 13 legally responsible for payment of a claim for a
5 14 health care item or service provided to a health care
5 15 coverage recipient of the limited partnership or
5 16 foreign limited partnership.

5 17 (2) A statement agreeing to cooperate with the
5 18 department of human services in complying with section
5 19 249A.36.

5 20 (3) The secretary of state shall provide the
5 21 information submitted under this lettered paragraph to
5 22 the department of human services in the format
5 23 determined by the department of human services to
5 24 enable the department of human services to determine
5 25 whether a health care coverage recipient of the
5 26 limited partnership or foreign limited partnership is
5 27 also a medical assistance recipient pursuant to
5 28 section 249A.36.

5 29 Sec. 6. Section 490.202, subsection 1, Code
5 30 Supplement 2007, is amended by adding the following
5 31 new paragraph:
5 32 NEW PARAGRAPH. e. A statement agreeing to
5 33 cooperate with the department of human services in
5 34 complying with section 249A.36.

5 35 Sec. 7. Section 490.1622, subsection 1, Code 2007,
5 36 is amended by adding the following new paragraph:

5 37 NEW PARAGRAPH. e. (1) The street and mailing
5 38 address of any entity, as defined in section 249A.2,
5 39 legally responsible for payment of a claim for a
5 40 health care item or service provided to a health care
5 41 coverage recipient of the domestic corporation or
5 42 foreign corporation.
5 43 (2) A statement agreeing to cooperate with the
5 44 department of human services in complying with section
5 45 249A.36.
5 46 (3) The secretary of state shall provide the
5 47 information submitted under this lettered paragraph to
5 48 the department of human services in the format
5 49 determined by the department of human services to
5 50 enable the department of human services to determine
6 1 whether a health care coverage recipient of the
6 2 domestic corporation or foreign corporation is also a
6 3 medical assistance recipient pursuant to section
6 4 249A.36.
6 5 Sec. 8. Section 490A.131, subsection 1, Code 2007,
6 6 is amended by adding the following new paragraph:
6 7 NEW PARAGRAPH. e. (1) The street and mailing
6 8 address of any entity, as defined in section 249A.2,
6 9 legally responsible for payment of a claim for a
6 10 health care item or service provided to a health care
6 11 coverage recipient of the limited liability company or
6 12 foreign limited liability company.
6 13 (2) A statement agreeing to cooperate with the
6 14 department of human services in complying with section
6 15 249A.36.
6 16 (3) The secretary of state shall provide the
6 17 information submitted in this lettered paragraph to
6 18 the department of human services in the format
6 19 determined by the department of human services to
6 20 enable the department of human services to determine
6 21 whether a health care coverage recipient of the
6 22 limited liability company or foreign limited liability
6 23 company is also a medical assistance recipient
6 24 pursuant to section 249A.36.
6 25 Sec. 9. Section 490A.303, subsection 1, Code 2007,
6 26 is amended by adding the following new paragraph:
6 27 NEW PARAGRAPH. e. A statement agreeing to
6 28 cooperate with the department of human services in
6 29 complying with section 249A.36.
6 30 Sec. 10. Section 496C.21, Code 2007, is amended by
6 31 adding the following new subsection:
6 32 NEW SUBSECTION. 5. a. The street and mailing
6 33 address of any entity, as defined in section 249A.2,
6 34 legally responsible for payment of a claim for a
6 35 health care item or service provided to a health care
6 36 coverage recipient of the domestic professional
6 37 corporation or foreign professional corporation.
6 38 b. A statement agreeing to cooperate with the
6 39 department of human services in complying with section
6 40 249A.36.
6 41 c. The secretary of state shall provide the
6 42 information submitted in this lettered paragraph to
6 43 the department of human services in the format
6 44 determined by the department of human services to
6 45 enable the department of human services to determine
6 46 whether a health care coverage recipient of the
6 47 professional corporation or foreign professional
6 48 corporation is also a medical assistance recipient
6 49 pursuant to section 249A.36.
6 50 Sec. 11. Section 497.22, Code 2007, is amended to
7 1 read as follows:
7 2 497.22 BIENNIAL REPORT == PENALTY.
7 3 1. Section 504.1613 applies to a cooperative
7 4 association organized under this chapter in the same
7 5 manner as that section applies to a corporation
7 6 organized under chapter 504. In addition to the
7 7 information required to be set forth in the biennial
7 8 report under section 504.1613, the cooperative
7 9 association shall also set forth the total amount of
7 10 business transacted, number of members, total expense
7 11 of operation, total amount of indebtedness, and total
7 12 profits or losses for each calendar or fiscal year of
7 13 the two-year period which ended immediately preceding
7 14 the first day of January of the year in which the
7 15 report is filed.
7 16 2. a. The cooperative association shall also
7 17 include in the biennial report all of the following:

7 18 (1) The street and mailing address of any entity,
7 19 as defined in section 249A.2, legally responsible for
7 20 payment of a claim for a health care item or service
7 21 provided to a health care coverage recipient of the
7 22 cooperative association.

7 23 (2) A statement agreeing to cooperate with the
7 24 department of human services in complying with section
7 25 249A.36.

7 26 b. The secretary of state shall provide the
7 27 information submitted under this subsection to the
7 28 department of human services in the format determined
7 29 by the department of human services to enable the
7 30 department of human services to determine whether a
7 31 health care coverage recipient of the cooperative
7 32 association is also a medical assistance recipient
7 33 pursuant to section 249A.36.

7 34 3. A cooperative association which fails to comply
7 35 with this section before April 1 of the year in which
7 36 the report is due is subject to a penalty of ten
7 37 dollars.

7 38 Sec. 12. Section 498.24, Code 2007, is amended to
7 39 read as follows:

7 40 498.24 BIENNIAL REPORT == PENALTY.

7 41 1. Section 504.1613 applies to a cooperative
7 42 association organized under this chapter in the same
7 43 manner as that section applies to a corporation
7 44 organized under chapter 504. In addition to the
7 45 information required to be set forth in the biennial
7 46 report under section 504.1613, the cooperative
7 47 association shall also set forth the total amount of
7 48 business transacted, number of members, total expense
7 49 of operation, total amount of indebtedness, and total
7 50 profits or losses for each calendar or fiscal year of
8 1 the two-year period which ended immediately preceding
8 2 the first day of January of the year in which the
8 3 report is filed.

8 4 2. a. The nonprofit cooperative association shall
8 5 also include in the biennial report all of the
8 6 following:

8 7 (1) The street and mailing address of any entity,
8 8 as defined in section 249A.2, legally responsible for
8 9 payment of a claim for a health care item or service
8 10 provided to a health care coverage recipient of the
8 11 nonprofit cooperative association.

8 12 (2) A statement agreeing to cooperate with the
8 13 department of human services in complying with section
8 14 249A.36.

8 15 b. The secretary of state shall provide the
8 16 information submitted under this subsection to the
8 17 department of human services in the format determined
8 18 by the department of human services to enable the
8 19 department of human services to determine whether a
8 20 health care coverage recipient of the nonprofit
8 21 cooperative association is also a medical assistance
8 22 recipient pursuant to section 249A.36.

8 23 3. A cooperative association which fails to comply
8 24 with this section before April 1 of the year in which
8 25 the report is due is subject to a penalty of ten
8 26 dollars.

8 27 Sec. 13. Section 499.40, Code 2007, is amended by
8 28 adding the following new subsection:

8 29 NEW SUBSECTION. 9. A statement agreeing to
8 30 cooperate with the department of human services in
8 31 complying with section 249A.36.

8 32 Sec. 14. Section 499.49, Code 2007, is amended to
8 33 read as follows:

8 34 499.49 BIENNIAL REPORT.

8 35 1. Section 504.1613 applies to a cooperative
8 36 organized under this chapter in the same manner as
8 37 that section applies to a corporation organized under
8 38 chapter 504. In addition to the information required
8 39 to be set forth in the biennial report under section
8 40 504.1613, the cooperative shall also set forth the
8 41 number of members of the cooperative, the percentage
8 42 of the cooperative's business done with or for its own
8 43 members during each of the fiscal or calendar years of
8 44 the preceding two-year period, the percentage of the
8 45 cooperative's business done with or for each class of
8 46 nonmembers specified in section 499.3, and any other
8 47 information deemed necessary by the secretary of state
8 48 to advise the secretary whether the cooperative is

8 49 actually functioning as a cooperative.

8 50 2. a. The cooperative association shall also
9 1 include in the biennial report all of the following:
9 2 (1) The street and mailing address of any entity,
9 3 as defined in section 249A.2, legally responsible for
9 4 payment of a claim for a health care item or service
9 5 provided to a health care coverage recipient of the
9 6 cooperative association.

9 7 (2) A statement agreeing to cooperate with the
9 8 department of human services in complying with section
9 9 249A.36.

9 10 b. The secretary of state shall provide the
9 11 information submitted under this subsection to the
9 12 department of human services in the format determined
9 13 by the department of human services to enable the
9 14 department of human services to determine whether a
9 15 health care coverage recipient of the cooperative
9 16 association is also a medical assistance recipient
9 17 pursuant to section 249A.36.

9 18 Sec. 15. Section 501.202, subsection 2, Code 2007,
9 19 is amended by adding the following new paragraph:

9 20 NEW PARAGRAPH. g. A statement agreeing to
9 21 cooperate with the department of human services in
9 22 complying with section 249A.36.

9 23 Sec. 16. Section 501.713, subsection 1, Code 2007,
9 24 is amended by adding the following new paragraph:

9 25 NEW PARAGRAPH. e. (1) The street and mailing
9 26 address of any entity, as defined in section 249A.2,
9 27 legally responsible for payment of a claim for a
9 28 health care item or service provided to a health care
9 29 coverage recipient of the closed cooperative.

9 30 (2) A statement agreeing to cooperate with the
9 31 department of human services in complying with section
9 32 249A.36.

9 33 (3) The secretary of state shall provide the
9 34 information submitted under this lettered paragraph to
9 35 the department of human services in the format
9 36 determined by the department of human services to
9 37 enable the department of human services to determine
9 38 whether a health care coverage recipient of the closed
9 39 cooperative is also a medical assistance recipient
9 40 pursuant to section 249A.36.

9 41 Sec. 17. Section 501A.231, subsection 1, Code
9 42 2007, is amended by adding the following new
9 43 paragraph:

9 44 NEW PARAGRAPH. e. (1) The street and mailing
9 45 address of any entity, as defined in section 249A.2,
9 46 legally responsible for payment of a claim for a
9 47 health care item or service provided to a health care
9 48 coverage recipient of the cooperative.

9 49 (2) A statement agreeing to cooperate with the
9 50 department of human services in complying with section
10 1 249A.36.

10 2 (3) The secretary of state shall provide the
10 3 information submitted under this lettered paragraph to
10 4 the department of human services in the format
10 5 determined by the department of human services to
10 6 enable the department of human services to determine
10 7 whether a health care coverage recipient of the
10 8 cooperative is also a medical assistance recipient
10 9 pursuant to section 249A.36.

10 10 Sec. 18. Section 501A.503, subsection 1, paragraph
10 11 a, Code 2007, is amended by adding the following new
10 12 subparagraph:

10 13 NEW SUBPARAGRAPH. (6) A statement agreeing to
10 14 cooperate with the department of human services in
10 15 complying with section 249A.36.

10 16 Sec. 19. Section 504.202, subsection 1, Code 2007,
10 17 is amended by adding the following new paragraph:

10 18 NEW PARAGRAPH. f. A statement agreeing to
10 19 cooperate with the department of human services in
10 20 complying with section 249A.36.

10 21 Sec. 20. Section 504.1613, subsection 1, Code
10 22 2007, is amended by adding the following new
10 23 paragraph:

10 24 NEW PARAGRAPH. f. (1) The street and mailing
10 25 address of any entity, as defined in section 249A.2,
10 26 legally responsible for payment of a claim for a
10 27 health care item or service provided to a health care
10 28 coverage recipient of the domestic nonprofit
10 29 corporation or foreign nonprofit corporation.

10 30 (2) A statement agreeing to cooperate with the
10 31 department of human services in complying with section
10 32 249A.36.

10 33 (3) The secretary of state shall provide the
10 34 information submitted under this lettered paragraph to
10 35 the department of human services in the format
10 36 determined by the department of human services to
10 37 enable the department of human services to determine
10 38 whether a health care coverage recipient of the
10 39 domestic nonprofit corporation or foreign nonprofit
10 40 corporation is also a medical assistance recipient
10 41 pursuant to section 249A.36.

10 42 Sec. 21. Section 505.25, Code 2007, is amended to
10 43 read as follows:

10 44 505.25 INFORMATION PROVIDED TO MEDICAL ASSISTANCE
10 45 PROGRAM, HAWK=I PROGRAM, AND CHILD SUPPORT RECOVERY
10 46 UNIT.

10 47 1. A carrier, as defined in section 514C.13, shall
10 48 enter into a health insurance data match program with
10 49 the department of human services for the sole purpose
10 50 of comparing the names of the carrier's insureds with
11 1 the names of recipients of the medical assistance
11 2 program under chapter 249A, individuals under the
11 3 purview of the child support recovery unit pursuant to
11 4 chapter 252B, or enrollees of the hawk=i program under
11 5 chapter 514I.

11 6 2. An entity as defined in section 249A.2 shall
11 7 enter into a health insurance data match program with
11 8 the department of human services requiring the entity
11 9 to provide on a monthly basis to the department, in
11 10 the format determined by the department, information
11 11 necessary to enable the department to determine
11 12 whether a health care coverage recipient of the entity
11 13 is also a recipient of medical assistance under
11 14 chapter 249A.

11 15 3. The division of insurance of the department of
11 16 commerce shall make information available to the
11 17 department of human services for the purpose of
11 18 identifying carriers and entities subject to the
11 19 health insurance data match program.

11 20 Sec. 22. EFFECTIVE DATE. This Act takes effect
11 21 March 1, 2008.>

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